



DEPARTMENT OF ENERGY
FEDERAL ENERGY REGULATORY COMMISSION

Coordination between Natural Gas and Electricity
Markets

Docket No. AD12-12-000

SUPPLEMENTAL NOTICE OF TECHNICAL CONFERENCE

As announced in the Notices issued on July 5, 2012¹ and July 17, 2012,² the Federal Energy Regulatory Commission (Commission) staff will hold a technical conference on Thursday, August 23, 2012, from 9:00 a.m. to approximately 4:45 p.m. local time to discuss gas-electric coordination issues in the Southeast region.³ The agenda and list of roundtable participants for this conference is attached. This conference is free of charge and open to the public. Commission members may participate in the conference.

The Southeast region technical conference will be held at the following venue:

Commission Headquarters
888 First Street NE
Washington, DC 20426

If you have not already done so, those who plan to attend the Southeast region technical conference are strongly encouraged to complete the registration form located at:

¹ Coordination between Natural Gas and Electricity Markets, Docket No. AD12-12-000 (July 5, 2012) (Notice of Technical Conferences) (<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13023450>); 77 Fed. Reg. 41184 (July 12, 2012) (<http://www.gpo.gov/fdsys/pkg/FR-2012-07-12/pdf/2012-16997.pdf>).

² Coordination between Natural Gas and Electricity Markets, Docket No. AD12-12-000 (July 17, 2012) (Supplemental Notice of Technical Conferences) (<http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13029403>).

³ As indicated in the July 5, 2012 notice, for purposes of this technical conference, the Southeast region includes Southern Company, Duke and Progress Energy, TVA, and other areas south of PJM Interconnection, L.L.C. and East of Southwest Power Pool, Inc. and Electric Reliability Council of Texas.

www.ferc.gov/whats-new/registration/nat-gas-elec-mkts-form.asp. There is no deadline to register to attend the conference. The dress code for the conference will be business casual. The agenda and roundtable participants for the remaining technical conferences will be issued in supplemental notices at later dates.

The Southeast region technical conference will not be transcribed. However, there will be a free webcast of the conference. The webcast will allow persons to listen to the Southeast region technical conference, but not participate. Anyone with Internet access who desires to listen to the Southeast region conference can do so by navigating to www.ferc.gov's Calendar of Events and locating the Southeast region technical conference in the Calendar. The Southeast region technical conference will contain a link to its webcast. The Capitol Connection provides technical support for the webcast and offers the option of listening to the meeting via phone-bridge for a fee. If you have any questions, visit www.CapitolConnection.org or call 703-993-3100.⁴

Information on this and the other regional technical conferences will also be posted on the website www.ferc.gov/industries/electric/indus-act/electric-coord.asp, as well as the Calendar of Events on the Commission's website www.ferc.gov. Changes to the agenda or list of roundtable participants for the Southeast region technical conference, if any, will be posted on the website www.ferc.gov/industries/electric/indus-act/electric-coord.asp prior to the conference.

Commission conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations, please send an email to accessibility@ferc.gov or call toll free 1-866-208-3372 (voice) or 202-208-1659 (TTY), or send a FAX to 202-208-2106 with the required accommodations.

For more information about this and the other regional technical conferences, please contact:

Pamela Silberstein
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426
(202) 502-8938
Pamela.Silberstein@ferc.gov

⁴ The webcast will continue to be available on the Calendar of Events on the Commission's website www.ferc.gov for three months after the conference.

Sarah McKinley
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426
(202) 502-8004
Sarah.McKinley@ferc.gov

Dated: August 15, 2012

Kimberly D. Bose,
Secretary.



Coordination Between Natural Gas and Electricity Markets

Docket No. AD12-12-000

Southeast Region- August 23, 2012

FERC Headquarters, Washington, DC

Agenda

- | | |
|---------------------|--|
| 9:00 – 9:15 | Welcome and Opening Remarks |
| 9:15 - 9:45 | Regional Energy Infrastructure Presentation (FERC staff) |
| 9:45 – 11:45 | First Roundtable Discussion:
Gas-Electric Coordination in the Southeast |

There has been significant growth in the Southeast region's use of gas as fuel for electricity generation. By some accounts, the Southeast now leads the country both in the total volume of electric generation gas demand, and as a percentage of total US gas burn.⁵ Given this rapid increase in gas demand for electricity generation, the region's electric and gas entities may face future operational challenges involving coincident peaks, the flexibility of pipeline services, and infrastructure adequacy.

Roundtable participants are encouraged to be prepared to respond to the following:

1. How do Southeastern electric utilities' scheduling and commitment practices align with the NAESB standard natural gas pipeline business practices? How do the region's utilities and generators manage the risks associated with differences in the daily practices from one industry to the next?
2. Given the significant percentage of gas demand for industrial use in this region, as

⁵ See, e.g., Energy Information Administration, Electricity Monthly Update, July 26, 2012, http://www.eia.gov/electricity/monthly/update/resource_use.cfm.

well as the growth in electric generation gas demand, how is the adequacy of gas infrastructure evaluated? Are there ways the region can better deploy existing capacity to meet demand growth?

3. What types of services offered by natural gas pipelines and storage providers in the Southeast best meet the needs of gas-fired generators in the region? Would generators in the region like to see additional flexibility in pipeline services, and if so, what kind? Do other pipeline shippers need additional flexibility in pipeline services, and if so, what kind? What would gas pipelines and storage providers need to be able to provide such additional flexibility?
4. How are pipelines managing the growth in electric generation demand from an operational standpoint? Is there a need for different pipeline operational management tools, such as a different imbalance management mechanism or penalty structure, for gas-fired generation as opposed to other pipeline shippers?
5. Do pipelines in this region offer additional nomination opportunities beyond the four NAESB nomination cycles? If so, are such offerings available to both firm and interruptible shippers? What are the costs of providing additional nomination opportunities? Are there impacts to natural gas end users?

11:45 – 1:15 Break

1:15 – 2:30 Second Roundtable Discussion: Communications/Coordination/Information-Sharing

Several commenters suggest that communication and coordination issues may differ between the regions, and therefore are more appropriately addressed on a regional basis. Given the region's risk for severe weather, the increase in the use of gas to fuel electric generation in the Southeast, and the proximity of natural gas supplies, gas and electric entities in the Southeast may need to address communication and coordination issues that affect both real time and near-real time operations and outage planning for both gas and electric systems, as well as long term gas and electric planning and coordination.

Roundtable participants are encouraged to be prepared to respond to the following:

1. How is coordination and information-sharing regarding both emergency and planned outages handled by affected gas and electric entities? Are improvements needed? Please describe what kind of coordination and information is shared and with whom in preparation for extreme events that simultaneously and significantly affect both the gas and electric sectors. Are there any limitations on communication that seem unnecessarily restrictive? Should entities coordinate weather forecasts?
2. What is the impact of electric system outages upon the gas system, and vice versa?

Will the Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 impose new requirements upon inter-industry communication and coordination? If so, how are the industries planning for those new requirements?

3. Are there particular communication and coordination challenges associated with managing the expected increase in use of natural gas for electric generation? If so, are improvements needed and who should be responsible for implementing improvements?
4. Given the extent to which gas-fired generation dominates the Florida generation portfolio, and also considering the high utilization factors of pipelines such as Florida Gas Transmission and Gulfstream especially during the summer months, how do the utilities in Florida manage communications and coordination, both day-to-day and during extreme events?

2:30 - 2:45 Break

**2:45 – 4:15 Third Roundtable Discussion:
Reliability**

The bulk electric system is typically planned, as required by the mandatory reliability standards, to meet projected customer demands and system performance criteria, even under single element contingency conditions. Interstate natural gas pipelines are planned and expanded to meet firm gas delivery contracts between the pipelines and one or more shippers. As noted, the Southeast will be experiencing a significantly increased reliance on natural gas generation in the coming years. This may serve to highlight concerns about the future reliability and interdependencies of the bulk electric system and the interstate natural gas pipeline system as the amount of natural gas-fired generation increases.

Roundtable participants are encouraged to be prepared to respond to the following:

1. Has any entity in the Southeast region performed any kind of assessment regarding the region's natural gas pipeline capacity, taking into account present and future electric generation needs? If not, is such a study needed? If so, who would undertake it? Are additional, coordinated studies of the natural gas and electric systems needed to analyze forecasted resource mix and/or interdependency risks from curtailments or contingencies? Can this issue be addressed through existing transmission planning processes? If not, is a different process needed?
2. A number of commenters in other regions referred to recent functional exercises that allowed participants from the natural gas and electric industries, as well as state regulators, to assess emergency response plans and provided a forum to discuss and

implement improvements.⁶ Given its experience with hurricanes and other extreme weather events, are sufficient emergency coordination procedures in place in the Southeast? Does the growth in the use of gas for electric generation mean that more coordination or other advance preparations are needed, especially for extreme weather events?

3. To what extent do pipelines in the Southeast region rely upon electric compression? Is this reliance likely to change in the future, and if so, how? What would be the impact, if any, of an electricity outage upon the pipeline's deliverability? Do pipelines study risk of loss of electricity? If so, how do the results of such study affect operational planning?

4:15 – 4:45 Closing

⁶ See, e.g., Texas Pipeline Association March 30, 2012 Comments at 2 (responding to Commissioner Moeller's February 3, 2012 Request for Comments).

Roundtable Participants:

- Dave Ciarlone, Manager, Global Energy Services, Alcoa (on behalf of Process Gas Consumers)
- Valerie Crockett, Senior Program Manager, Regulatory & Policy, TVA
- Mark Evans, Vice President, North American Gas & Power, BG Group
- Frank Ferazzi, Senior Vice President & General Manager, WGP East, Williams Gas Pipeline
- Michael Frey, Vice President, Gas Supply & Operations, Municipal Gas Authority of George (on behalf of APGA)
- Paul Greenwood, Manager for Americas Gas Marketing, ExxonMobil Gas & Power Marketing (on behalf of Natural Gas Supply Association)
- Laura Heckman, Director, Business Development, Kinder Morgan
- Greg Henderson, President & CEO, Southeast Alabama Gas District
- David Jewell, Senior Vice President, Gas Systems & Capacity Planning, CenterPoint Energy
- Keith Maust, Manager Director-Gas Supply and Scheduling, Piedmont Natural Gas Company, Inc.
- Michael McMahon, Senior Vice President and General Counsel, Boardwalk Pipeline Partners, LP
- Wayne Moore, Compliance Officer and Vice President, Southern Company
Carl Haga, Gas Services Director, Southern Company
- John Moura, Associate Director, Reliability Assessment, NERC
- Eric Senkowicz, Director of Operations, Florida Reliability Coordinating Council
- Donald Sipe, PretiFlaherty (on behalf of American Forest and Paper Association)
- Richard Smead, Director, Navigant Consulting, Inc. (on behalf of America's Natural Gas Alliance)
- Andrew Soto, Senior Managing Counsel, American Gas Association



- [FR Doc. 2012-20596 Filed 08/21/2012 at 8:45 am; Publication Date: 08/22/2012]